

**PEACEBUILDING COMMISSION
WORKING GROUP ON LESSONS LEARNED**

Background Paper

**Economic Revitalization and Youth Employment in Post-Conflict Settings
--with a focus on Youth Employment and Natural Resource Management--**

July 2011

I. Introduction

Economic revitalization is an essential part of peacebuilding. In the immediate aftermath of conflict, the Secretary General identified "support to economic revitalization (including employment opportunities)" particularly for youth and demobilized former combatants, as well as rehabilitation of basic infrastructure as one of the priorities of peacebuilding. The reintegration of youth in a collapsed economy requires tailored measures that have been adapted to the context of each post-conflict country.

¹ Report of the Secretary-General on peacebuilding in the immediate aftermath of conflict (A/63/881 – S/2009/304), <http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N09/367/70/PDF/N0936770.pdf?OpenElement>, p. 6.

² Peacebuilding Commission Working Group on Lessons Learned "Economic Revitalization and Youth Employment in Post-Conflict Settings", 2010.

³ "UN Policy on Post-Conflict Employment Creation, Income Generation and Reintegration", United Nations, Geneva, 2009, [https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---](https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---mp_crisis/documents/publication/wcms_117576.pdf)

⁴ Peacebuilding Commission Working Group on Lessons Learned "Economic Revitalization and Youth Employment in Post-Conflict Settings", 2010.

⁵ "The Development of Service-Based Infrastructures", 2010, <http://www.un.org/peacebuilding/...>

Subsequently a regional seminar was held in Freetown on 23 December 2010 on "Strategies and Lessons Learned on Sustainable Reintegration and JILC."⁶

lessons from countries in West Africa. The Sierra Leone configuration had earlier urged the stakeholders on the ground to develop demand-driven strategy for youth employment interventions.⁷

In the WGLL meetings on economic revitalization and youth employment, the harnessing of natural resources was cited as an essential element of economic revitalisation. While the illegal trade in natural resources can fuel conflict and enable armed groups to fund their activities, the effective management of natural resources can serve as an entry point for economic revitalisation and job creation. The PRC WGLL previously explored the issue of natural resources in its May 2008 meeting "From Conflict to Peacebuilding: The Role of Natural Resources and Environment"⁸.

It is sometimes overwhelming to think of a broad set of conditions that will revive a devastated economy that includes: peace and security, workable physical infrastructure, functioning core institutions including a professional public service, an adequately educated and trained labour force, a regulatory and legal framework that fosters economic growth and whose rules are enforced, and government policies that encourage business and private sector development. But a limited number of priorities, if focused and done within an area such as economic revitalisation

To tackle an agenda as diversified as economic revitalisation, the World Bank's 2011 *World Development Report on Conflict, Security and Development*⁹ provided the key criterion for deciding peacebuilding priorities: namely that prevent relapse into conflict. One

governance through scaled-up assistance in security, justice, and jobs in order to break cycles of violence. Thus jobs are one of the focal issues from the outset, while natural resource management, as described in the following section, requires security and justice to become an entry point for economic revitalisation and job creation.

In the context of revitalising the economies of post-conflict

⁸ From Conflict to Peacebuilding: The Role of Natural Resources and Environment, PRC WGLL, 9 May 2008.

⁹ The World Development Report 2011, the World Bank
http://wdr2011.worldbank.org/sites/default/files/Complete%202011%20WDR%20Conflict%20Security%20and%20Development_0.pdf

employment and natural resource management. These are the key areas to address in order to avoid relapse into conflict. Yet international responses to date have been found to lack coherence.

1. Youth Employment

Among six areas listed in the "*Crisis prevention and recovery report 2008: Post Conflict*, indigenous drivers for post-conflict recovery, it is interesting to note that all have been aligned and re-oriented in support for the single goal of job-creation, taking into account lessons learned in Sierra Leone as will be described later. The report listed the six areas as: i) rehabilitating infrastructure, ii) reinvesting in human capital, iii) reintegrating ex-combatants and special groups, iv) securing economic opportunities and creating jobs, v) strengthening local institutions and governance mechanisms, and vi) mediating access to financial resources.

The "*United Nations Policy for Post-conflict Employment Creation, Income Generation and Reintegration*"¹⁰ June 2009 was the product of two years of research, analysis and consultation among agencies throughout the UN system, to serve as a tool to help scale up and to maximize the impact, coherence and efficiency of support provided at the country level. The Policy provided five guiding principles (see below) and a set of action points to work on three government mechanisms: (A) the formal sector, including income generation and emergency employment, such as cash for work, public employment services, and start-up grants; (B) a broad economic recovery for employment opportunities and reintegration, including capacity development, community driven development and private sector development; and (C) Sustainable financial sector and business development (see the figure below).

The five guiding principles of "*United Nations Policy for Post-conflict Employment Creation, Income Generation, and Reintegration*"

Guiding principle 1: be coherent and comprehensive

Programmes must be derived from assessments, including pre-programme and labor market assessments. They require structured coordination amongst all stakeholders, building on comparative advantages. Interventions should be incorporated into national and sectoral post-conflict frameworks and policies.

Guiding principle 2: do no harm

Guiding principle 3: be conflict sensitive

Guiding principle 4: aim for sustainability

Sustainability requires national and local ownership and investment in capacity development

of governments, communities and other stakeholders. Short-term employment programmes have to anticipate and complement programmes supporting the creation of longer term

¹⁰ ibid.

sustainable employment.

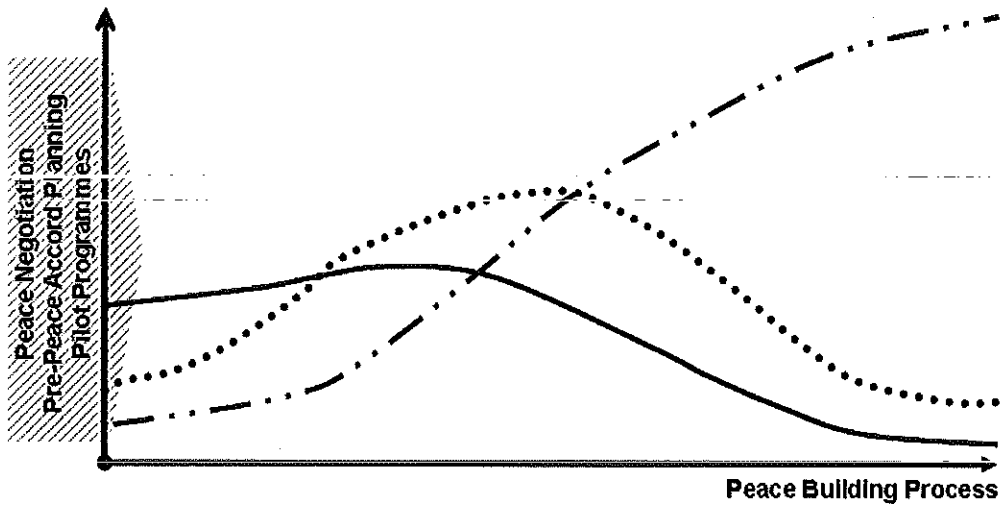
Guiding principle 5: promote gender equality.



Figure # 1

One Programme on three concurrent Tracks
(curves measure intensity of programmes)

Income security Sustainable Employment



- Track A : STABILIZING INCOME GENERATION & EMERGENCY EMPLOYMENT
- Track B: LOCAL ECONOMIC RECOVERY FOR EMPLOYMENT OPPORTUNITIES AND REINTEGRATION
- Track C: SUSTAINABLE EMPLOYMENT CREATION

approach. The following are some challenges raised at the previous meetings.

Challenges and Lessons extracted from *Strategies and Lessons Learned on Sustainable*

Recovery and Job Creation in Sierra Leone, September 2000

1. Incoherence and supply-driven

- The interventions by the development partners are project-based and geographically scattered and isolated.
- Many projects are often supply oriented, focusing on training and enterprise start-ups, or enhancing "employability" without actually creating any demand for the jobs. The majority of projects have not included business skills development.
- Often projects in skills training have their roots in projects undertaken in the Reintegration phase of the DDR programme. Often, the NGOs and government officers have insufficient training in enterprise development, therefore often biased in social service provision.

project life.

most organizations have not facilitated the development of joined-up and coherent policies.

Youth employment policy must be formulated in an integrated manner as part and parcel of the national employment policy. There must be a macroeconomic growth strategy that is employment-intensive and pro-poor as well as microeconomic policies that are coherent and integrated with education, health and labor market policies. Within the overall policy, measures should be

employment non-creative. Insufficient studies in rural areas must include urban and

versus rural areas and different regions of the country.

- No common definition of terms, and a lack of basic data on employment.
- Weak policies and strategies for employment creation, the lack of strong national institutions dealing with employment issues, and the low degree of decentralization.

3. Small Business Development and the Growth of the Private Sector

- A clearer differentiation is needed in designing project interventions between those for Small and Medium Scale Enterprises (SMEs) in the formal sector, and those for micro enterprises and individuals in the informal sector.
- Insufficient coordination and linkages between different programmes that relate to private sector development and finance programmes.
- Small business development is hampered by lack of access to credit. To develop the micro finance sector, accompanying measures in skill development are necessary.
- Coordination between youth employment schemes and other programmes such as in infrastructure and agriculture need to be enhanced.
- Private sector actors need to be invited to for a where employment issues are discussed.

4. Importance of Agriculture for Employment

● More attention should be given to agriculture as the dominant source of income. The number of people employed in agriculture related industries (production, distribution and maintenance of agricultural machinery and other agricultural inputs, and processing, grading, storage, transport and finance of agricultural output) can be expected to increase significantly.

● Commodity chains and entrepreneurial activities in rural areas are fragmented and often inefficiently connected, hampering notably at the level of small scale farmers

state structures and institutions. Rural project interventions need to strengthen the capacity of districts to prepare their own development plans into which donor financed projects can fit.

● When choosing entry points for interventions, a value chain approach for specific commodities is advisable.

● Multinational enterprises (MNE) can be engaged, but foreign direct investment (FDI) in agriculture requires adequate infrastructure, including roads, electricity, water, and telecommunications.

● Measures are needed to change the poor perception around a career in agriculture, particularly amongst the youth.

Challenges cited in the Chairperson's summary on the 14 July 2010 WGLI meeting Challenges cited in the Chairperson's summary on the 19 July 2010 WGLI meeting

1. mechanisms to reach grassroots people

2. a defined role for civil society

3. a clear perspective on how the gender dimension can be incorporated in economic activities

4. strategies on how to ameliorate integration programs particularly following the DDR

processes and on how to increase local organizations involvement

approaches on how best to sensitize youth primarily to economic integration

6. schemes to involve corporate responsibility to multiply outreach

7. projects that deal with youth's need for inclusiveness, sense of belonging and of importance — as a contributor to economy

8. dealing with economic revitalization to engage youth

10. how to bring actors together and to coordinate aid and resources. The government need to pool information and bring actors around a common table to centralize action.

In order to overcome the challenges mentioned above, the international community has to work

has to seize.

Some examples of employment initiatives that have worked in the past

(extracted from the WDR2011)

National governments who's public
Investment in basic infrastructure

- Simplification of business regulations
- Support for agriculture
- Develop links between producers, traders, and consumers

- Asset expansion programs
- Women empowerment programmes
- Skills training and labour market analysis

2. Natural Resource Management

Subsequent to the WGLL's meeting on natural resources, the report "*From Conflict to Peacebuilding: The Role of Natural Resources and the Environment*"¹² was published in February 2009. The United Nations Environment Programme (UNEP) provided a set of policy recommendations, aimed at ensuring the inclusion of environmental and natural resource management in considering peacebuilding activities. Yet providing assistance for managing natural resources in a manner that benefits social and economic development remains a great challenge. Environmental and natural resource management issues, such as the impact of climate change from the exploitation of natural resources must be addressed.

and the Environment

1. Further develop UN capacities for early warning and early action
2. Improve oversight and protection of natural resources during conflicts
3. Address natural resources and the environment as part of the peacemaking and peacekeeping process
4. Include natural resources and environmental issues into integrated peacebuilding strategies
5. Carefully harness natural resources for economic recovery
6. Capitalize on the potential for environmental cooperation to contribute to peacebuilding
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Global Witness¹³ issued a report in January 2010 entitled "*Lessons Unlearned: how the UN and member states must do more to end natural resources-fuelled conflicts*"¹⁴ which provided concrete recommendations on each of the four key entry points for international action—sanctions, peacemaking, peacekeeping and peacebuilding. The recommendations in the area of peacebuilding are as follows.

Recommendations on Peacebuilding by Global Witness

In the aftermath of conflicts where natural resources have played a key role, peacebuilding donors should:

¹² From Conflict to Peacebuilding: The Role of Natural Resources and the Environment, UNEP, February 2009, http://naetconflict.unep.ch/publications/ncdmb_policy_01.pdf

¹³ The coalition of over 200 international NGOs was Publish What You Buy Campaign calling for the mandatory disclosure of the assets owned by companies and individuals. The campaign is a global resource for revealing company investments in minerals to public. It details organizations such as Global Witness run campaigns against natural resource-related conflict and corruption and associated environmental and human rights abuses. <http://www.globalwitness.org/>

¹⁴ <http://www.globalwitness.org/library/new-report-urges-un-learn-lessons-resource-fuelled-wars>

Pursue a strategy of demilitarizing and reforming the governance of natural resource exploitation and trade.

Support the establishment of institutions and laws that ensure transparent allocation of natural resource concessions and transparent management of the revenues derived from their exploitation, make it difficult to siphon off and provision of financial support conditional on these reforms.

Make financial support to a government conditional on a removal of its armed forces from any involvement in natural resource exploitation and trade.

Provide support to law enforcement agencies policing natural resource exploitation and trade.

Address natural resource-related issues in the context of security sector reform.

Build capacity to govern natural resource production and trade, including capacity to negotiate natural resource concession contracts with international companies, monitor borders and manage customs.

Build civil society capacity to monitor natural resource allocation, exploitation and trade and the management of the revenues generated by these activities.

community can improve its response